

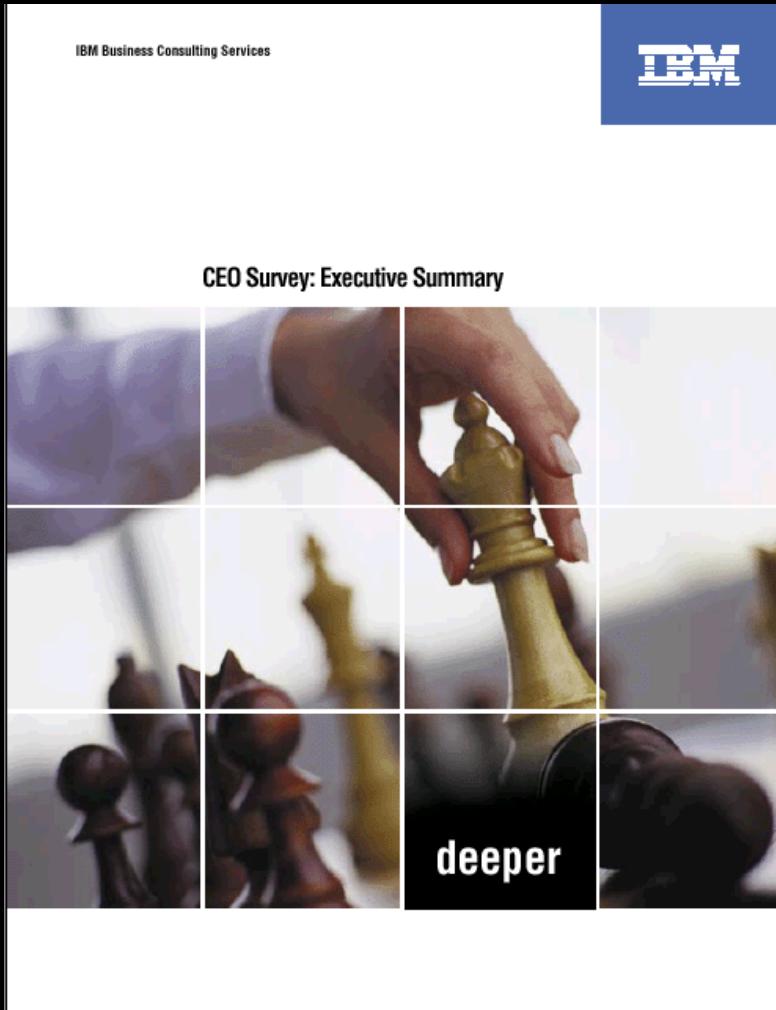
On Demand Business: The New Agenda in Action

Presenter

Title



Global CEO Study



Aggressive growth
with cost containment

Responsiveness to
changing markets
and risks

New skills and capabilities

Source: *Your Turn: Global CEO Study 2004*, IBM Business Consulting Services

IBM Business Leadership Forum



"We have grown quite fast following a business model based on innovation, transformation and change."

Bankinter CEO
Juan Arena



"Our goal has been to combine economies of scale and agility – and to improve both."

Nokia CEO
Jorma Ollila



"How do you deploy information technology that allows people to make enlightened decisions?"

eBay CEO
Meg Whitman



"It's through innovation that you create value"

IBM CEO
Sam Palmisano



"If you can't differentiate yourself in this world, you get commoditized instantaneously. I think a lot about innovation and differentiation."

GE CEO Jeff Immelt

SMB event

New York City

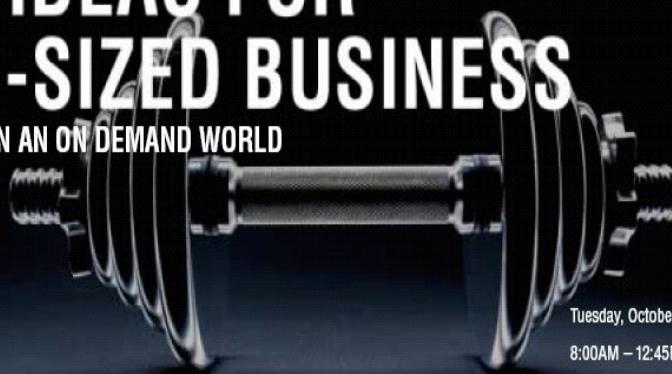
October 26, 2004



INTRODUCING A SPECIAL EVENT FROM IBM:

BIG IDEAS FOR MID-SIZED BUSINESS

WINNING IN AN ON DEMAND WORLD



Tuesday, October 26, 2004

8:00AM – 12:45PM

American Museum of Natural History
Central Park West at 79th Street
New York, New York

ON DEMAND BUSINESS™

NetFlix

Scaling To Meet Demand
Enabling An Individualized Customer Experience

Locus Pharmaceuticals

Pay As You Go Computing Power
Linux-based Grid On Demand

Sesame Workplace

Hosting & Digital Asset Management
Building New Service Models

General Glass International

Integrating Business Processes
Growth Through Web-enabled Business Systems

Museum of Modern Art

On Demand Cultural Institution

The New Agenda

An On Demand Business is
an enterprise whose business processes
— integrated end-to-end across the company
and with key partners, suppliers and customers —
can respond with speed to any customer demand,
market opportunity or external threat.



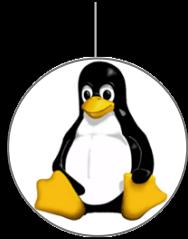
Advancing technology

What if...

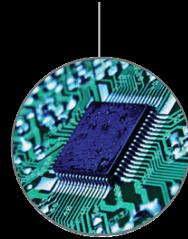
... everything is connected and intelligent?

... networking and transactions are inexpensive?

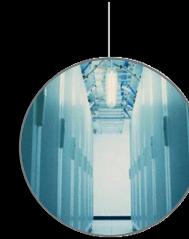
... computing power is unlimited?



↑ Adoption of
open standards



↑ Processor
speed



↑ Storage



↑ Bandwidth



↑ Number of
networked
devices

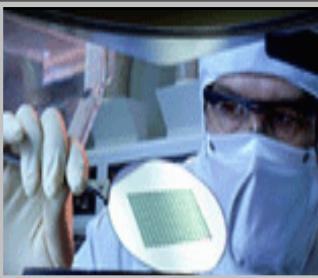


↓ Interaction
costs

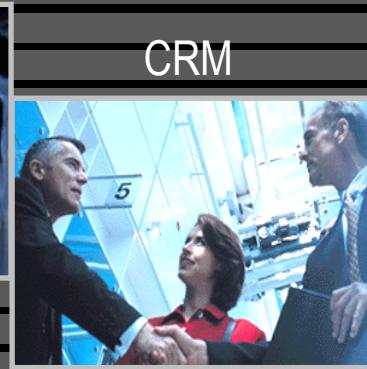
Deeper integration of technology and business



Human
Resources



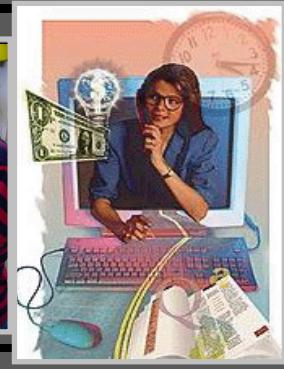
R & D



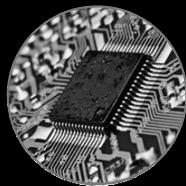
CRM



Inventory



Procurement



On demand breakthroughs

'Breakthrough innovations -- not just steady improvements -- in operations can...shake up entire industries.'

- Michael Hammer
Harvard Business Review



Media & Entertainment



Retail



Healthcare



Financial Services

Real results today

Electronics



- 2.4X higher revenue per employee
- 1.5X higher profitability
- 2X higher ROIC

Consumer Packaged Goods



- 35% higher revenue per employee
- 25% higher revenue growth
- 2X higher ROIC

Automotive



- 6% higher revenue growth
- 19% higher revenue per employee
- 2X higher ROIC

Source: IBM Business Consulting Services

'Pay as you drive' rates



© AVIVA plc 2004

- In-car telematics black box
- Wireless gateway
- Open standards

Insurance

Future Store



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- ‘Smart shelves’ advanced inventory system
- Innovative retail technologies
- First rollout of RFID across a retail supply chain

Retail

'Sense and respond' procurement



- Beyond integration: end to end adaptive information
- 20% higher staff productivity
- Shorter order-to-delivery cycles

Automotive

Inside IBM

On Demand Workplace

- Productivity gain: 1-2 hours per month x 320,000 employees
- \$280M annual saving in education costs
- \$8M annual saving in travel and meeting costs



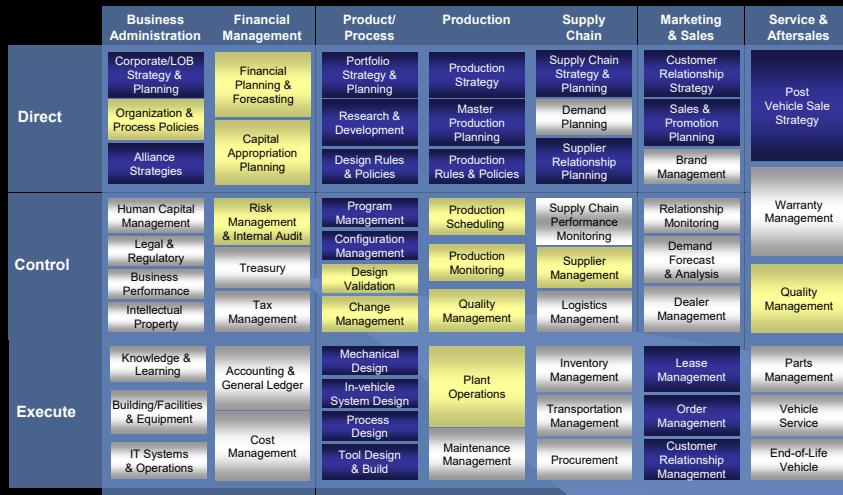
Integrated Supply Chain

- \$7B cost & expense savings in 2003
- 33,000 suppliers Web-connected
- Inventories at 30-year low

New capabilities for higher business value

- Component Business Modeling
- Business and infrastructure solutions
- IBM Center for Business Optimization
- Software as a service
- Orchestration
- Service oriented architecture
- Virtualization Engine

Component Business Modeling



Strategic Differentiation

- Strategic
- Competitive Parity
- Basic



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Target operating characteristics
for each component

Software as a service

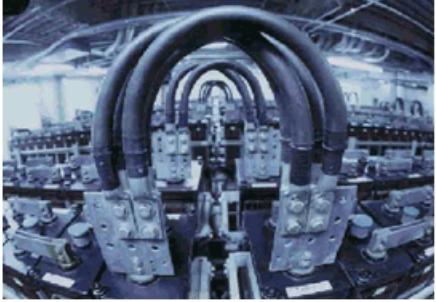
SIEBEL
CRM OnDemand

Home Products Industry Solutions IBM Hosting Training & Support News & Events Customers CRM Learning Center

Hosting Infrastructure

Hosting Infrastructure

IBM Hosting



World's largest provider of hosting services
Unparalleled scalability, reliability, and security
Provides hosting service to nearly half of the Fortune 500
State-of-the-art e-business Hosting Centers

[IBM Hosting datasheet](#)

With Siebel CRM OnDemand, you can focus on sales, marketing and customer service. Leave the infrastructure and operations to IBM—the brand entrusted by more than 2,000 companies to host their mission critical business applications and Web sites.

IBM's track record speaks for itself. Where numerous hosting application service providers have fallen by the wayside, IBM e-business Hosting has thrived.

Siebel CRM OnDemand incorporates IBM's industry-leading best practices, processes methodologies for hosting and managing Siebel applications.

© 2004 Siebel Systems, Inc.

- World class CRM with low total cost of ownership
- Internet delivery via IBM hosting
- Simple migration path to more customized application

Service oriented architecture

- Aggregation of new and existing services into business processes
- Visibility into the enterprise
- Flexibility to adapt to new market opportunities



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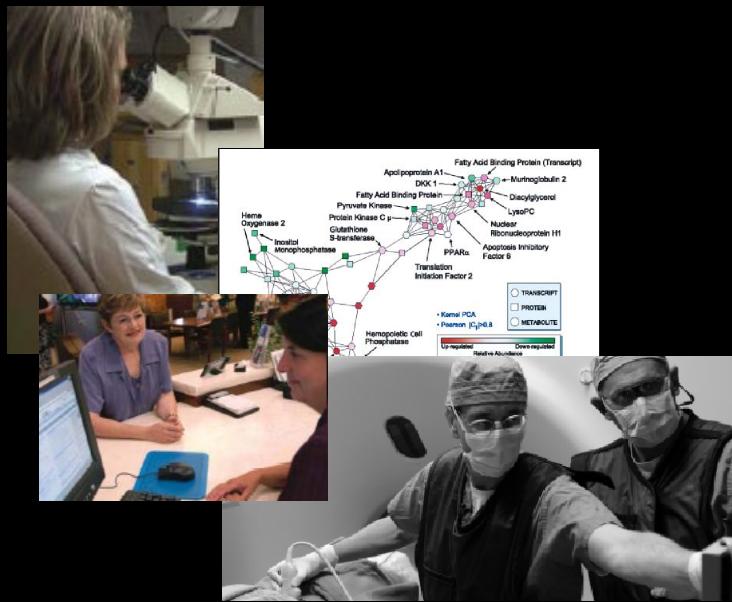
IBM Business Partners

90,000+ worldwide



- Independent software vendors
- Consultants
- Integrators
- Distributors
- Resellers

Business Performance Transformation Services



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Collaboration to accelerate advances in patient care and research, while transforming the effectiveness and economics of health care

- New techniques to improve diagnoses
- Deep computing power to help model diseases and find cures
- New devices to help transform how patients and physicians interact
- Patient records linked to new types of medical information

Next steps

- Perform an on demand assessment to identify focal points and priorities
- Invest in solutions that boost process integration and productivity
- Move to open architecture and scalable systems
- Find partners who will work together for you

www.ibm.com/ondemand

